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**Silicon Valley Bank**  
**Silicon Valley Division**

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3003 Tasman Drive  
Santa Clara, CA 95054

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Facsimile Cover Sheet

Marc J. Verissimo  
Executive Vice President and Manager  
Silicon **Valley** Division

Mr. Verissimo is responsible for the management of eight market niches comprising the Bank's Silicon Valley **Division**:  
Online Services, Communications and Electronics,  
**Software**, Semiconductor, **Life** Sciences, Pacific Rim, Media and Premium Wineries. He joined Silicon Valley Bank **in** 1993 **as** regional vice president **responsible** for the Palo Alto Technology Team.

Mr. Verissimo has more than **19** years banking experience, primarily in emerging growth technology companies. Prior to joining Silicon Valley Bank, he worked as a regional vice president for **Comerica** Bank, where he founded the bank's Technology Lending Group. From 1986 to 1991, he was vice president in charge **of First** Interstate Bank's South Bay Corporate Banking Center. From 1982 to 1986, he served as vice **president** responsible for technology lending at the Banking **Of** America.

**Mr.** Verissimo earned a bachelor's degree in agricultural economics *from the* University of California at Davis in 1978 **and** a MBA **from** Harvard University in 1982.

ABOUT SILICON VALLEY BANK  
October 1997

The founders of Silicon Valley Bank set out in 1983 to capture a growing market in Northern California, which until that time had been greatly underserved by commercial banks-emerging growth technology companies in the Silicon Valley. Many companies in this unique market were just getting started and had yet to realize a profit; some simply were not yet considered 'creditworthy' by local community or regional banks.

Since that time, Silicon Valley Bank has established an unparalleled reputation in this market - based on a high level of expertise in a number of technology and life-science niches. with our solid understanding of the true risks and rewards of early-stage companies, the Bank is widely recognized for its ability to develop innovative approaches to meet clients' credit challenges. Building on its successful experience in Northern California, the Bank has expanded to additional major technology and life science centers around the country, as well as to other underserved markets.

Today, Silicon Valley Bancshares is the largest independent bank holding company headquartered in Silicon Valley, with over \$1.9 billion in assets. Its wholly owned subsidiary, Silicon Valley Bank, currently serves 2,000-plus clients in more than 40 states across the nation. Technology offices are located throughout Silicon Valley- in Santa Clara and Palo Alto, and at 3000 Sand Hill Road, the center of the Valley's venture capital community. Additional offices are located in Austin, TX; Bellevue, WA; Boulder, CO; Beaverton, OR; Irvine, CA; Rockville, MD; San Diego, CA; Wellesley, MA; and Atlanta, CA.

The Bank specializes in a number of niches within the technology and life sciences industries, including software, communications, semiconductors, computers and peripherals, and life sciences (comprising medical devices, biotechnology, and health care services). Special practices also focus on the venture capital community and Asian-invested technology companies within the Pacific Rim.

Diverse specialty practices include Entertainment, based in Beverly Hills, CA; Premium Wineries, located in the Wine Business center in St. Helena, CA; and Religious financial resources, headquartered in Irvine, CA with staff based in Texas and Maryland to provide national coverage.

The Bank also provides a full array of strategic financial services, which are tailored to meet the changing needs of the Bank's clients as they progress through their business life cycles. These services include cash management, international, factoring, asset-based lending, and executive banking.

Opening Remarks  
U.S. Trade Deficit Review Commission  
Palo Alto, 1 III 5/99  
Marc Verissimo  
Executive Vice President  
Silicon Valley Bank

To begin, I will give a brief background on Silicon Valley Bank. The Bank was founded in 1983 to capture a growing market in Northern California which was underserved by existing commercial banks – namely, the emerging growth technology companies. Many companies in this unique market were just getting started and had yet to realize a profit or even revenues and were not yet considered creditworthy by existing commercial banks.

Since that time, Silicon Valley Bank has established a reputation as a leader in this market. Building on its successful experience in Northern California, the Bank has expanded to additional major technology centers around the country.

The Bank provides a full array of strategic financial services, which are tailored to meet clients changing needs as they progress through their business life cycles.

The clients we serve are often early and aggressive exporters as they are developing products for a global market. The percentage of revenues exported may range from 80%+ (a client with a wireless communications solution for lesser developed countries) to less than 5% (an internet company focused on the domestic grocery marketplace). This experience is consistent with the American Electronics Association estimate that two-thirds of U.S. exports are from the technology sector.

As such, Silicon Valley Bank has an active International services group of which over 95% of the business conducted with over 1200 clients is export related. The Bank provides these clients with a full range of international products and services including foreign exchange, trade services and export financing. One product that has been critical in meeting the export needs of our clients is the Export-Import (Ex-Im) Bank working capital guaranty program. This program, designed to support U.S. job growth through exports by providing a guaranty to banks to finance exports, is well suited to emerging technology companies that are initiating export activity. Since Silicon Valley Bank became active in the program in 1995, we have provided over \$250 million in

Ex-Im guaranteed loans to over 100 technology clients making the Bank the leading provider of this product nationwide.

Given the relatively high level of exports generated by technology companies, the fact that two-thirds of total U.S. exports are from the technology sector according to the American Electronics Association, and that the technology sector has been an increasing percentage of total exports, how do we maintain global leadership in this critical industry sector?

Based on our experiences, we believe that a strong emerging growth technology company sector is critical. The innovation driven by these firms assisted in powering the United States economy from the backbuster 1970's and 1980's to the dominant position it has today.

Factors key to the health of this sector include:

1. Efficient and honest capital markets system.
2. A vibrant venture capital sector
3. World class university network.
4. An embracing of risk taking as well as the acceptance of failure on a societal level.
5. Commercial banks which are willing to support the sector.
6. A well developed infrastructure of service providers to assist the companies in their business requirements.

In conclusion, the technology sector is a key and increasingly important part of the U.S. economy and its ability to export. A healthy and vibrant emerging growth company market is a critical component for the ongoing prosperity in this area.